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HOUSE BILL NO. 3026

Offered January 11, 2007

A *BILL to amend and reenact § 58.1-339.7 of the Code of Virginia, relating to home accessibility features for the disabled tax credit.*

Patrons—Lingamfelter, Albo, Athey, Cole, Fralin, Frederick, Gear, Hugo, Janis, Lohr, O'Bannon, Oder, Rapp and Wright

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:**1. That § 58.1-339.7 of the Code of Virginia is amended and reenacted as follows:**

§ 58.1-339.7. Home accessibility features for the disabled tax credit.

A. For taxable years beginning on and after January 1, 2000, any taxpayer who retrofits or hires someone to retrofit a residence with one or more accessibility features, as defined in this section, shall be entitled to a credit against the tax imposed pursuant to § 58.1-320 of an amount equal to (a) twenty-five percent of the total amount spent for such features, provided such features are not otherwise required by law, and (b) for taxable years beginning on and after January 1, 2008, 100 percent of the total amount spent for such features for any veteran of the armed forces of the United States who has been determined pursuant to federal law to have a 100 percent permanent and total service-connected disability and who occupies or will occupy as his principal residence the retrofitted residence, provided such features are not otherwise required by law. Such a credit shall require application by the taxpayer as provided in subsection C.

For taxable years beginning on and after January 1, 2008, the provisions of this section shall also be applicable to any taxpayer who purchases or constructs a new residence with one or more accessibility features.

For purposes of this section, "accessibility features" means (i) one no-step entrance allowing access into the residence; (ii) interior passage doors providing a thirty-two-inch wide clear opening; (iii) reinforcements in bathroom walls and installation of grab bars around the toilet, tub, and shower; (iv) light switches and outlets placed in wheelchair-accessible locations; and (v) universal design features or those accessibility or adaptability features prescribed in the Virginia Uniform Statewide Building Code (USBC), as amended.

B. The amount of the credit shall not exceed \$500 or the total amount of tax imposed by this chapter, whichever is less, in the year such features are completed in a retrofitted residence or the closing on a new residence occurs. If the amount of the credit exceeds the taxpayer's tax liability for such tax year, the amount which exceeds such liability may be carried over for credit by the taxpayer in the next five taxable years until the total amount of the tax credit has been taken.

C. Eligible taxpayers shall apply for the credit by making application to the Department. The total amount of tax credits granted under this section for any taxable year shall not exceed \$1 million. In the event applications for the tax credit exceed the \$1 million amount, the Department shall apportion the money by dividing the \$1 million by the total amount of tax credits applied for to determine the percentage each taxpayer shall receive.

2. That the provisions of this act shall apply to taxable years beginning on and after January 1, 2008.

INTRODUCED

HB3026